

MINUTES
BROWN COUNTY HOUSING AUTHORITY
Monday, May 16, 2011
City Hall
100 N. Jefferson Street, Room 604
Green Bay, WI 54301
3:00 p.m.

MEMBERS PRESENT: Michael Welch-Chair, Tom Diedrick, Rich Aicher, Darlene Hallet, Ann Hartman

OTHERS PRESENT: Robyn Hallet, Matt Schampers, Rob Strong, Chip Law, DonElla Payne, Matt Roberts, Emily Schabow

APPROVAL OF MINUTES:

1. Approval of the March 21, 2011 minutes of the Brown County Housing Authority.

A motion was made by D. Hallet, seconded by T. Diedrick, to approve the minutes of the March 21, 2011 meeting of the Brown County Housing Authority as presented. Motion carried.

ELECTION OF OFFICERS

R. Hallet stated that this is the annual meeting in which officers need to be elected. M. Welch stated that typically during this portion of the meeting, the meeting is turned over to BCHA staff.

R. Strong stated that the BCHA is opening up the floor for nominations for the position of Chair for 2011. D. Hallet made a motion to nominate M. Welch as Chair. A. Hartman seconded the motion to nominate M. Welch as Chair. R. Strong inquired if there were any other nominations, and repeated that inquiry a third time. With no other nominations made, a unanimous vote was made naming M. Welch as Chair of the BCHA.

M. Welch stated that P. Kendle had previously held the position of Vice-Chair for the BCHA but with his departure from the BCHA an opening is created. M. Welch welcomed nominations for the position of Vice-Chair of the BCHA for 2011. R. Aicher made a motion to nominate T. Diedrick as Vice-Chair. D. Hallet seconded the motion. M. Welch inquired if there were any other nominations and repeated that inquiry. With no other nominations proposed, a unanimous vote was made naming T. Diedrick as Vice-Chair of the BCHA.

COMMUNICATIONS:

2. Letter from Department of Housing and Urban Development regarding re-inspection fees.

R. Hallet stated at this point staff wanted to make the Authority aware of the communication, but pointed out that this topic is also listed on the agenda under 'Old Business.' Unless there's anything pertinent to the letter itself that anyone has questions about, R. Hallet suggested that this item be held until further into the agenda.

A motion was made by D. Hallet, seconded by A. Hartman, to move to agenda item 6. Motion carried.

6. Update & possible action regarding issue of re-inspection fees.

R. Hallet stated that this item came up a few months ago and it is in regards to ICS charging landlords whenever an inspection is needed for a third or subsequent inspection. This came to HUD's attention, who indicated that the BCHA should not be allowing ICS to do this. BCHA staff responded to HUD's inquiry, explaining our interpretation of the regulations. R. Hallet stated that the final correspondence from HUD disagrees with the BCHA's interpretation, and all charges to landlords as previously described must cease. HUD did indicate that the BCHA could request a waiver of that decision, which will be produced by BCHA staff.

D. Hallet inquired about paying back previously charged landlords. R. Hallet responded that initially HUD indicated we would have to pay back all landlords. However, during a phone conversation with John Finger of HUD, he indicated that the BCHA would not have to repay any of the landlords previously charged. R. Hallet stated she has since requested that the BCHA receive this guidance in writing, which staff is still waiting for.

T. Diedrick inquired if it would help to include in our waiver a letter of support from the County Executive or a congressman. M. Welch offered to contact Congressman Reid Ribble's office to ask. Various Commissioners suggested statistics that may be helpful to include, which staff agreed to pull together.

M. Welch stated that at this time, there is no action to be taken on this item.

3. Letter from Department of Housing and Urban Development regarding final SEMAP score.

R. Hallet stated that a few months ago, the Authority was presented with the preliminary SEMAP score, as determined by ICS. Since then, staff has received the official SEMAP score from HUD, which ranked BCHA at the expected performance rating —Standard Performer. R. Hallet noted one difference in the expected versus actual was found in Indicator 8, Payment Standard, where the BCHA did not receive any points. This was due to the fact that the Fair Market Rents (FMR) decreased several months ago but the BCHA decided to hold the Voucher Payment Standards at their same levels, which resulted in some Payment Standards being slightly above the 110% of FMR which is generally the limit. The decision to do so was basically a choice between the "lesser of two evils", for which losing a few SEMAP points was less concerning than the repercussions of lowering the Payment Standards would have been.

4. Letter from Department of Housing and Urban Development regarding Family Self Sufficiency Funding award.

R. Hallet congratulated ICS on receiving the full amount of funding applied for. This funding will support three positions for the Family Self-Sufficiency program.

REPORTS:

5. Report on Housing Choice Voucher Rental Assistance Program
 - A. Preliminary Applications:

D. Payne stated that there were 152 preliminary applications in the month of April.
 - B. Housing Assistance Payments:

D. Payne stated that expenses were at \$1,139,955.00.
 - C. Housing Assistance Unit Count:

D. Payne indicated that unit count for April was 2,920. D. Payne stated that there will be a large increase in unit count for the month of May as Trail Creek will be fully utilizing their vouchers.
 - D. Housing Quality Standard Inspection Compliance:

M. Roberts stated that HQS for the month of April was 53.15 percent for the initial pass rating; 23.21 percent for the re-inspection pass rating; and 23.64 percent for the fail rating.
 - E. Housing Choice Voucher Administrative Costs and HUD 52681B:

C. Law stated that ICS is just over \$5,000 over-budget for the month of April.
 - F. Portability Activity:

D. Payne stated that the port-outs increased for the month of April, ending at 98. Communication was received from HUD regarding how to handle port-outs and at this point the decision is at the Inspector General's office. Housing Authorities are expecting a decision within the next few months.

D. Payne stated that port-ins are down, remaining at 12, because ICS currently absorbs all port-ins.
 - G. Report of the Housing Choice Voucher Family Self-Sufficiency Program:

D. Payne stated that there were 119 clients participating in the FSS program in the month of April. There were 34 escrow active accounts in April, and two graduates in April. D. Payne stated that a formal graduation will be held in July, so all Commissioners will be invited to that.
 - H. Report on the Housing Choice Voucher Home Ownership Option:

D. Payne stated that there were 90 participants in the Home Ownership Option in the month of April, and two new contracts were established.
 - I. VASH Reports:

D. Payne stated that there were 10 active VASH participants in April.

J. Report on Langan Investigations Criminal Background Screening and Fraud Investigations:

D. Payne stated that there were three new investigations assigned and closed in April; one previous investigation that was closed; and one remains active.

M. Welch stated that it is assumed that all Commissioners saw the preview on Channel 11 regarding the BCHA fraud process. A. Hartman was thanked for providing comment.

K. Leaving Homelessness Behind:

D. Payne stated that because of the donation the BCHA made in September, 23 families have been served through the Leaving Homelessness Behind program.

OLD BUSINESS:

None

NEW BUSINESS:

7. Authorization to apply for 2012 Family Self Sufficiency Coordinator funding.

D. Payne stated that HUD was very late authorizing funding to Housing Authorities this year. The Obama Administration has indicated that HUD should allow Housing Authorities to apply for next year's funding early. D. Payne stated that there are three weeks left to apply for the Family Self-Sufficiency Coordinator funding for 2012.

R. Aicher clarified that ICS is seeking approval to apply for funding for next year. D. Payne indicated that this is correct, and ICS will be applying for three positions for 2012.

A motion was made by R. Aicher, seconded by D. Hallet, to authorize the application for 2012 Family Self Sufficiency Coordinator funding. Motion carried.

8. Review and approval of revisions to Chapter 3 (Eligibility), Chapter 6 (Income & Subsidy Determination), Chapter 11 (Interim Reviews) and Chapter 12 (Termination of Assistance and Tenancy) of the Housing Choice Voucher Administrative Plan.

D. Payne stated that Chapter 3, Eligibility, has a change regarding Social Security numbers. A HUD change is being added, and states "when a participant requests to add a new household member under the age of 6 and has not been assigned a SSN, the participant shall be required to provide the complete and accurate SSN assigned to new child within 90 calendar days of the child being added to the household." Another change to Chapter 3 includes language stating that any incomplete applications be placed on an incomplete waiting list.

D. Payne stated that another addition to Chapter 3 regards proof of preference, requiring current/valid driver's license or state photo ID and a minimum of two documents. The address on the documents must match the address on the application. R. Hallet suggested adding Brown County Human Services. Several Commissioners indicated that by getting too specific would require many changes in the future. D. Payne clarified that the Administrative Plan language should remain the same and ICS should develop an agency specific list internally. R. Hallet stated that it is still necessary to change the Administrative Plan language to incorporate approved agency rather than shelter, and then the list currently contained in Chapter 3 can be removed and kept internally.

D. Payne stated that under Chapter 6, Income and Subsidy Determination, the change being proposed is removing the language that states "average monthly balance for the last six months" to "current balance" when referring to determining the value of a checking account. This is due to a HUD-required change in the verification process which now requires participants to provide documentation of their assets and income instead of the Housing Authority requesting it from the third party. Furthermore, additional language is being incorporated to clarify that the first \$250 in *one* checking account will be disregarded in calculating the asset.

D. Payne explained that Chapter 11, Interim Reviews, is regarding the dollar threshold for when participants are required to report an income increase. She explained that several years ago this was changed to require participants to report income changes in excess of \$200 per month. However due to the funding cuts, she did a study of how much difference this policy made on HAP payments. She found that this policy only resulted in an \$1100 difference in the past month's HAP. She found, however, that it takes approximately 62 man-hours per month to process these interims. Therefore to save in administrative dollars, she is requesting to change the reporting threshold from \$200 to \$600, which is an amount similar to the amount disregarded in the Earned Income Disallowance regulation. DonElla further explained that income changes are also incorporated during annual reviews, and are also caught in new EIV reports.

D. Payne stated that under Chapter 12, Termination of Assistance, the change being proposed is adding the language stating, "If the family owes back debt for utilities, as a condition of continued assistance, the PHA will require the family to set up a repayment agreement with the utility company and provide a copy of the agreement to the PHA within 30 days of receiving notice from the PHA."

A motion was made by T. Diedrick, seconded by A. Hartman, to approve the revisions to mentioned chapters of the Administrative Plan, with the changes to Chapter 3 being brought back to the Authority at the next meeting. Motion carried.

9. Review and approval of proposed Utility Allowances for Housing Choice Voucher Program, effective July 2011.

D. Payne stated that a calculation is used to determine these amounts, as well as contacting a utility company to compare amounts. R. Hallet questioned if the

Commissioners understood what the utility allowances were. A. Hartman suggested that staff elaborate on the concept.

R. Hallet stated that when an individual receives housing assistance, their “gross rent” is analyzed. Gross rent includes utilities, and is not based on what the participant actually pays but rather on a utility allowance. This allowance is determined from the charts presented today.

A motion was made by D. Hallet, seconded by R. Aicher, to approve the proposed Utility Allowances for the Housing Choice Voucher Program, effective July 2011. Motion carried, with M. Welch abstaining.

10. Discussion on Federal funding and authorization to transfer reserves held by BCHA in ICS reserves account to ICS.

C. Law explained that Congress has reduced the funding by cutting the proration to 78.5%, which will be effective back to January 1st, due to this, we are anticipating significant cuts. As a team, staff from ICS and BCHA discussed several options to alleviate these shortfalls. C. Law stated that without use of reserve funds, ICS cannot be financially viable to sufficiently administer the HCV program.

M. Schampers explained the reserves in question total \$41,597, which are amounts that ICS was entitled to per the ICS/BCHA contract, but were unspent at the end of various fiscal years, and thus BCHA held them. They are funds that ICS has a right to, but require Authority approval to release to ICS.

C. Law stated that they have been thinning down and cutting positions over the past 18-24 months in an effort to be as lean as possible, but with funding drops of \$200,000 for this year, ICS will need to make some serious changes. We need to find ways to maintain the high quality Voucher program we have here in Brown County but perhaps with a few changes to the areas where we’ve gone above and beyond what HUD requires. An example is the extra costs that ICS incur for the extensive screenings and investigations we conduct in Brown County, which is unlike what other Housing Authorities around the country do. An analysis of the data shows that approximately 5% of the screenings sent to Langan & Associates are found to have activity that disqualifies them from the Voucher Program. Is there a way ICS can pass on to Langan only screenings that have a red flag?

C. Law expressed concerns with being able to sustain the unit count numbers above 3000 for long: it’s a predicament because we want to get our unit count numbers up so we can get more administrative dollars, however if the unit count is too high, then we’ll be using up our reserves. There is talk that there may be cuts next year to HAP dollars in addition to the administrative cuts experienced this year. C. Law states he is certain that ICS will need the reserves in the near future, which is why ICS is requesting that money now.

M. Schampers explained there are additional reserves BCHA has as an entity for which we could use however we choose, but the amount in question is only the amount ICS is entitled to according to the contract.

R. Strong expressed concerns that if we start using reserves beyond the \$41,000, we're going to run out. We have to find a way to continue to run the program with the funding we have coming in.

C. Law stated that ICS staff could come back in the next few months with a general plan of how we can sustain the high quality program while cutting costs and provide a more extensive plan with benchmarks later, after sufficient time to work it out. We've determined that the funding will suffice through September, but by then we'll have to have a plan on cost saving measures.

D. Hallet inquired where we are in regards to unit count, as that affects administrative funds. M. Schampers explained that while it's true that as additional participants lease up, we get additional administrative dollars, however we're already past our HAP allowance, which results in spending down the reserves. So, once we reach a certain point, we have to back off and not lease up as many. C. Law explained that we actively terminate a lot more clients than other Housing Authorities do. D. Payne added that we average 34 terminations per month and 67 new admissions, so we'll have to back off on how many new admissions so that we don't overlease. We will be where we want to be by June and then we'll have to try to maintain that.

A motion was made by T. Diedrick, seconded by D. Hallet, to transfer reserves held by the BCHA in ICS reserves, to ICS. Motion carried.

M. Schampers stated that these reserves should cover the ICS monthly shortfall until September 2011. Payment to ICS from the reserves can be made on an as-needed basis each month or so.

11. Discussion and possible action regarding notice of foreclosure action against a Housing Choice Voucher Homeowner who also received a \$20,000 down payment/closing cost loan from BCHA.

R. Hallet stated that there is a homeowner who had been provided a \$20,000 BCHA down-payment loan that unfortunately is now at risk of foreclosure. The Corporation Counsel did submit a notice on the BCHA's behalf stating that if there are any proceeds resulting from the sale of the home, the BCHA has a claim to that. This information is being provided so the Commissioners can determine if they'd like to take action other than wait for any possible proceeds from the sale.

R. Aicher questioned what the worth of the house was, the amount of the first mortgage, and the likelihood of any proceeds. R. Hallet stated that she didn't have that information at her disposal, but the BCHA is likely in second position to receive any proceeds.

R. Aicher stated that in the future, when items such as this are presented, it would be good to bring forth to the Authority information regarding who the mortgage holder is, how much is owed, what position the Authority is in, what the balance is,

an appraisal report, some estimation of what the value of the property is today, which will allow the BCHA to make a sound decision.

A motion was made by R. Aicher, seconded by T. Diedrick, not to bid on the sale proceeds of foreclosure. The Commissioners requested that BCHA staff gather information regarding this particular property and foreclosure, and provide it at the next monthly meeting. Motion carried.

12. Discussion and possible action on investments.

M. Schampers stated that he has been contacting various banks gathering rates and will continue to gather information throughout the next month. A report will be provided to the Commissioners at next month's meeting that will discuss the determination of the gathered information.

13. Discussion and approval of Response to Media Policy.

M. Welch stated that he had personally requested that this item be added to the agenda. The BCHA should have a policy that identifies who the primary and secondary contacts are in cases of responding to media attention and questions.

R. Aicher stated that his personal preference was that all responses to media inquiries be handled by BCHA staff. M. Welch agreed that staff has access to all of the necessary information, including policies and procedures.

R. Hallet stated that the recent media attention brought to light that the BCHA does not currently have a policy in place to illustrate how those inquiries should be handled, so a draft was established.

A motion was made by D. Hallet, seconded by A. Hartman, to approve the proposed Response to Media Policy as presented. Motion carried.

INFORMATIONAL:

14. Update on fraud recovery.

R. Hallet stated that to date, the BCHA has recaptured a total of \$338,697. This is an increase of \$33,208 since February 2011.

BILLS:

A motion was made by T. Diedrick, seconded by R. Aicher, to approve the bills as presented. Motion carried.

FINANCIAL REPORT:

R. Aicher questioned if the quarterly report provides more detail. R. Hallet confirmed.

STAFF REPORT:

15. Introduction of new ICS staff.

D. Payne stated that Emily has been employed with ICS for about two months, and has replaced Gina Fullerton's previous position handling preliminary applications, the waiting list, briefings and some initial appointments. Another ICS staff has taken over the fraud work.

16. Information regarding Tenant Protection Vouchers.

R. Hallet stated that the BCHA was recently informed by HUD that there is an opportunity to take on 150 Tenant Protection Vouchers. These vouchers are related to the Cardinal Capital vouchers: during the transition from Port Plaza Towers to the new location, the process was done in a way which used Project-Based Vouchers, but could have been done differently to utilize Tenant Protection Vouchers instead. As a result, we now have the opportunity to take the Tenant Protection Vouchers that would have been used for the Cardinal Capital project and offer them to other families. Staff is exploring the pros and cons of doing so and will come back with further information and a recommendation at a future meeting.

17. Invitation to Trail Creek and Woodland Park Apartments Grand Opening.

R. Hallet invited all Commissioners to attend the Trail Creek and Woodland Park Apartments Grand Opening. Time and location will be confirmed and communicated to all Authority Members.

The meeting was adjourned at 5:01 PM.

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